

APM-7302.2

# Purchasing Card User Guide

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## Introduction

The purpose of the Prairie Valley School Division Purchasing card is to establish a convenient, efficient, cost-effective method of purchase and payment for small dollar transactions and to provide schools with a simple method for direct purchases.

The purchasing card program is not intended to replace existing procedures for purchases from, standing offers or contracts. Instead it is intended to provide flexibility and autonomy to cardholders while complementing current purchasing practices. The program is designed to reduce the requisition process, paperwork and cycle time for small dollar items. Record keeping will be essential to ensure the success of the program.

The use of purchase cards to acquire eligible goods and services is mandatory. This means that individuals are expected to do their best to ensure purchase cards are used for eligible purchases. The maximum transaction limit for purchase cards is \$1,500 unless otherwise approved.

The purchasing card is **not** to be used for personal use or benefit. Improper use of the card, through accumulation of personal benefits from purchases made with a Division purchasing card is strictly prohibited (CRA Taxable Benefit Implications). Such practices are considered misappropriation of Division funds. Misuse will result in suspension or cancellation of the Purchasing Card and may include disciplinary action.

Cardholders are responsible for the security of the card and the transactions made with it.

## Getting a Purchasing Card

Employees that require a purchasing card must complete the Purchasing Card Application/Agreement Form. The agreement must be completed with the required information and signed by the cardholder and cardholders supervisor/administrator. By signing the Agreement form, the cardholder is acknowledging their understanding of the terms, conditions and regulations regarding the use of the card as defined in the guidelines, and accept responsibility for the card in their possession. The signed acknowledgement will be kept on file at Division office.

Training will be provided for the use of the card as well as for BMO Details Online. If a cardholder requires immediate assistance with Details Online please contact the Division's program administrator.

## Features within the Program

Monthly limits are placed on the cards. No transaction may exceed that limit.

Examples where purchasing cards may be used:

- Subscriptions, seminar/workshop registrations, resource materials such as books, software, miscellaneous instructional materials that require prepayment
- Catering or small dining services for in-house meetings
- Instructional and operating supplies
- Home economics house wares and notions
- Industrial education classroom supply items
- Office supplies, postage
- Hotels

Examples where purchasing cards may **NOT** be used:

- Cash advances or other financial services
- Liquor purchases
- Airlines (depending on cardholder)
- Lottery tickets or other betting
- Any merchant, product or service normally considered inappropriate use of division funds
- Any commitment requiring a purchase agreement, contract or similar arrangement obligating the division to future services
- Services normally provided through Maintenance department work orders
- Temporary help
- Hazardous materials
- Personal purchases
- Tips on meals

Merchant categories that have been blocked on the purchasing cards are:

- Cash advances and other financial services
- Airlines and Other transportation services (limited on some cards)
- Liquor and drinking establishments such as bars, lounges and nightclubs
- Betting

**Contact the Plan Administrator for a complete list**

## General Information

- Capital equipment such as division assets are not currently included under the purchasing card program for schools.
- It is the responsibility of the principal/supervisor of all cardholders to monitor the purchasing card usage.
- The purchasing card program is designed to be simple and easy to use. The card provides the holder with a tool to perform their job more quickly and with fewer steps to accomplish the same task.
- Each cardholder is responsible for the security of their purchasing card and the transactions made against it. The purchasing card is issued to each individual's name and it will be assumed that any purchases made against the card will have been made by that individual. Although the card is issued in individual names, it is the property of the division and is only to be used for division purchases.
- The Plan Administrator will control and maintain a central listing of all cardholders, limits, etc.
- Remember, division funds are committed each time the purchasing card is used. There is an obligation on the part of all cardholders to use the card responsibly.

## Reconciliation, Record Retention and Payment

The purchasing card program carries division liability, not individual liability. The division will pay each monthly statement; cardholders will not be required to use personal funds. The purchasing card program does not impact cardholders' personal credit rating in any way. One master invoice each month for the entire division will be paid by the Accounts Payable department. Account activity, however, may be audited at any time by the Plan Administrator, Finance Department or by the Division Executive.

It is required that cardholders retain all receipts for goods and services purchased. If purchases are made via phone or mail, the supplier should be requested to include the receipt with the goods when the product is shipped.

The following controls are required for the reconciliation of all purchasing card transactions:

- The purchasing cardholder is required to keep track of all purchases being charged to the individual purchasing card.
- The cardholder reconciles all purchasing card receipts, by the 6<sup>th</sup> of the month following the statement date (27<sup>th</sup> of the month). As part of the reconciliation process, the cardholder must:
  - Verify all transactions listed on the statement are valid;
  - Update, as necessary, any tax amounts and account codes;
  - Enter a description in the comments field, when necessary;
    - Comments field is to be used for all Professional Development costs, indicating who is attending
  - Enter appropriate General Ledger codes for the transaction;
  - Print cardholder statement from the internet and attach supporting documentation and receipts for each transaction;

- GST charges must be identified per transaction
- The cardholder acknowledges the verification of all monthly transactions by signing the purchasing card statement.
- The cardholder must forward their signed monthly BMO MasterCard statement and all transaction receipts to his/her supervisor for approval and authorization. The cardholder should retain a photocopy for future reference.
- All authorized monthly statements must be forwarded to Accounts Payable by the 6<sup>th</sup> of the month following, for storage/filing as per Revenue Canada guidelines.
- Responsibility rests with the purchasing card user and account code holder to ensure all transactions are accurate and legitimate. Any discrepancies must be identified and appropriate action taken to resolve any problem.
- The Plan Administrator will be performing regular checks to ensure compliance with the above.

If proper procedures are not followed for purchases, card reconciliation and coding, the card will be deactivated by the Plan Administrator.

### **Card Cancellation or Personnel Leaving**

The following are steps to be taken when a card is cancelled or an employee leaves the company:

- Principal/supervisor of cardholder is responsible for collecting and cutting the purchasing card in half immediately.
- Principal/supervisor of cardholder notifies the Plan Administrator immediately and returns the destroyed purchasing card immediately in a secure, sealed envelope marked as confidential to the Plan administrator.
- The Plan Administrator notifies the bank to cancel the card regardless of whether or not the card was returned.

### **Purchasing Card Dispute Process**

The following steps should be taken for all purchasing card transactions in dispute or when records do not with the statement:

Cardholder identifies a discrepancy, initiates the process and follows through to resolution with the following:

If error is determined to be with the Bank:

- Identify discrepancy to BMO MasterCard
- Record on monthly transaction log in the comments section
- Ensure correction appears on next cardholder statement

If it is a supplier error:

- Contact the supplier involved to rectify the billing problem. If the supplier agrees that an error has been made, they will credit the purchasing card account. Cash or cheque refunds are strictly forbidden
- Highlight the transaction in question on the monthly statement as a reminder the item is pending resolution.
- Ensure correction appears on next cardholder statement.
- If dispute is not resolved cardholders satisfaction, contact the Plan Administrator.

The bank will investigate disputed items by a cardholder for up to 30 days from a statement cut-off date.

## Managing Cardholder Declines

Several factors may create a situation for a card decline. These include:

- Exceeded monthly credit limit
- Merchant Category Code (MCC) block
- Card number entered incorrectly by merchant (telephone orders)
- An expiry date entered incorrectly by merchant (telephone orders)

***(Note: Cardholder's must call BMO's Customer Service Representatives within 3 days to determine the reason for the decline.)***

If a cardholder is declined they may contact BMO Purchasing Card Customer Service. The number is located on the back of the Purchasing Card (1-800-263-2263). The customer service representative has direct access to all cardholder purchasing information and can readily determine the reason for the card decline. Cardholder declines remain accessible by the BMO Customer Service personnel for three (3) days. Once the reason for the decline has been determined, this information (credit limit decline, Merchant Category Control number exclusion, etc.) should be directed to the Plan Administrator for review and/or changes. Cardholders **may not** request changes directly from the BMO customer service centre.

***(Note: If a card number is entered incorrectly by a merchant, or the merchant tries to process the card as a Visa or AMEX, the transaction will be declined but will not trace back against the card number within the customer service personnel's terminal.)***

When requesting decline information from the customer service centre, the card holder will need to supply the following:

Name of organization  
Cardholder Name  
Card #  
Date of Transaction  
Amount of Transaction

## Key Contacts

### Plan Administrators

Carol Sternig, Financial Analyst

Phone: (306) 949-6368

Fax: (306) 949-1277

Email: [finance@pvds.ca](mailto:finance@pvds.ca)

Janine Blyth, Manager of Accounting and Payroll

Phone: (306) 949-6377

Fax: (306) 949-1277

Email: [Janine.Blyth@pvds.ca](mailto:Janine.Blyth@pvds.ca)

### BMO Financial Group

Client Services Department

3300 Bloor Street West

7<sup>th</sup> Floor, Centre Tower

Toronto, Ontario M8X 2X3

Toll Free: 1-800-844-6445

Email: [ebclientservices@bmo.com](mailto:ebclientservices@bmo.com)

BMO purchasing card customer service representatives are available 24 hours a day, seven days a week.

They are responsible for the following:

- Activating new cards
- Answering questions about account balances and other related account inquiries
- Lost or stolen cards
- Emergency replacement cards
- Processing disputes

### Lost or Stolen Cards

Canada and US                      **1-800-361-3361**

International                        **(541)877-0330**



### **How to activate a new card:**

Call 1-800-263-2263 to activate new purchasing cards.

## Appendix

The following vendors have been contacted and have confirmed that they will accept credit cards at the time of purchase:

- HBI
- Prairie Co-op
- SaskTel
- Powerland
- Supreme